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## FIRST ANNUAL AUDIT OF FINANCIAL STATEMENTS OF CALIFORNIA'S STEM CELL AGENCY IS COMPLETED Copy of the Report Available on CIRM Web Site

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**SAN FRANCISCO**, June 21, 2006 – The first annual audit of the financial statements of the California Institute for Regenerative Medicine (CIRM) reported that they “present fairly, in all material aspects, the financial position of CIRM” from the time of its inception on November 4, 2004 to June 30, 2005.

“We are very pleased with the audit report. It is a positive indication that CIRM operates within the common practices of other state agencies,” said Walter Barnes, Chief Administrative Officer for the CIRM.

Proposition 71 requires that CIRM commission an annual audit of its financial statements by an independent certified public accounting firm which is sent to the State Controller for review. Proposition 71 also requires that the audit and the review reports be presented to the Financial Accountability and Oversight Commission (FAOC) for an additional review and issuance of a final report with recommendations for improving CIRM's financial practices and performance.

The Sacramento-based public accounting firm Gilbert Associates, Inc. (Gilbert) was competitively selected to conduct CIRM's audit. Gilbert audited CIRM's assets, liabilities, fund balance, revenues and expenditures for the period from inception to June 30, 2005. Gilbert examined CIRM's accounting practices and internal controls and tested for compliance with any legal requirements regarding the use of the two sources of funds available to CIRM during this period—a \$3 million start up loan from the state's general fund and a \$5 million grant from the Dolby Family Foundation. The audit also noted that CIRM received additional revenue in the form of nearly \$85,000 in temporary office space provided free of charge by Wareham Development in Emeryville.

Gilbert also issued a separate management letter that contains recommendations to improve future financial operations and CIRM has already agreed to implement them.

Copies of the Gilbert Audit Report, management letter and the review report may be seen at: [www.cirm.ca.gov](http://www.cirm.ca.gov).

Governed by the ICOC, CIRM was established in 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was approved by California voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research opportunities. For more information, please visit [www.cirm.ca.gov](http://www.cirm.ca.gov).

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